



Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, without revision, the Margin Credit Reports (FR G-1, FR G-2, FR G-3, FR G-4, FR T-4 and FR U-1; OMB No. 7100-0011)

DATES: Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments, identified by FR G-1, FR G-2, FR G-3, FR G-4, FR T-4, or FR U-1, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include the OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at

<https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request.

Accordingly, comments will not be edited to remove any identifying or contact information.

Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments.

You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid

government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, if approved. These documents will also be made available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

Request for Comment on Information Collection Proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;

- b. The accuracy of the Board's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

Proposal under OMB Delegated Authority to Extend for Three Years, Without Revision, the Following Information Collections:

Report title: Registration Statement for Persons Who Extend Credit Secured by Margin Stock (Other Than Banks, Brokers, or Dealers).

Agency form number: FR G-1.

OMB control number: 7100-0011.

Frequency: Event-generated.

Respondents: Federal and state credit unions; insurance companies; commercial and consumer credit organizations; production credit associations; small businesses; insurance premium funding plans; plan-lenders (a company or its affiliate that extends credit to employees to purchase company stock under an eligible employee stock option or stock purchase plan); lenders to Employee Stock Ownership Plans (ESOPs), thrift plans, and broker-dealer affiliates; and other lenders.

Estimated number of respondents: 13.

Estimated average hours per response: 2.5.

Estimated annual burden hours: 33.

General description of report: The FR G-1 registration statement is required to enable the Federal Reserve to identify nonbank lenders subject to Regulation U, to verify compliance with the regulation, and to monitor margin credit. In addition, registered nonbank lenders can be subject to periodic review by the Board, National Credit Union Administration, and Farm Credit Administration. Information collected on the registration statement consists of certain background questions, information regarding the credit being extended, and dollar amounts of margin credit.

Report title: Deregistration Statement for Persons Registered Pursuant to Regulation U.

Agency form number: FR G-2.

OMB control number: 7100-0011.

Frequency: Event-generated.

Respondents: Federal and state credit unions; insurance companies; commercial and consumer credit organizations; production credit associations; small businesses; insurance premium funding plans; plan-lenders (a company or its affiliate that extends credit to employees to purchase company stock under an eligible employee stock option or stock purchase plan); lenders to Employee Stock Ownership Plans (ESOPs), thrift plans, and broker-dealer affiliates; and other lenders.

Estimated number of respondents: 8.

Estimated average hours per response: 0.25.

Estimated annual burden hours: 2.

General description of report: The FR G-2 deregistration statement is used by nonbank lenders to deregister if their margin credit activities no longer exceed the regulatory threshold found in Regulation U. Under section 221.3(b)(2) of Regulation U, a registered nonbank lender may apply to terminate its registration if the lender has not, during the preceding six calendar months, had more than \$200,000 of such credit outstanding. The deregistration statement requires six items, including the name and phone number of the registrant, the firm's Internal Revenue Service

Identification Number (registrants that are individuals are not required to disclose their Social Security number), the authorizing officer's signature and title, and the date. A nonbank lender who has deregistered must reregister if subsequent lending volume exceeds the thresholds identified in Regulation U.

Report title: Statement of Purpose for an Extension of Credit Secured by Margin Stock by a Person Subject to Registration Under Regulation U.

Agency form number: FR G-3.

OMB control number: 7100-0011.

Frequency: Event-generated.

Respondents: Other lenders (not brokers, dealers, or banks).

Estimated number of respondents: 6.

Estimated average hours per response: 0.17.

Estimated annual burden hours: 20.

General description of report: Any nonbank lender subject to the registration requirements of Regulation U must complete an FR G-3 purpose statement for each extension of credit secured directly or indirectly, in whole or in part, by any margin stock. The purpose statement is intended to ensure that a lender does not extend credit to purchase or carry margin stock in excess of the amount permitted by the Federal Reserve pursuant to Regulation U.

Report title: Annual Report.

Agency form number: FR G-4.

OMB control number: 7100-0011.

Frequency: Annually.

Respondents: Federal and state credit unions; insurance companies; commercial and consumer credit organizations; production credit associations; small businesses; insurance premium funding plans; plan-lenders (a company or its affiliate that extends credit to employees to purchase company stock under an eligible employee stock option or stock purchase plan);

lenders to Employee Stock Ownership Plans (ESOPs), thrift plans, and broker-dealer affiliates; and other lenders.

Estimated number of respondents: 70.

Estimated average hours per response: 2.

Estimated annual burden hours: 140.

General description of report: The FR G-4 annual report requires nonbank lenders to provide the total amount of credit outstanding secured directly or indirectly by margin stock as of June 30, and the amount of credit extended secured directly or indirectly by margin stock during the year. Lenders are required to indicate whether the loans involved are purpose or nonpurpose and to disclose whether credit is used to fund employee stock options, purchases, or ownership plans. Those lenders funding stock options, purchases, and ownership plans must specify whether such credit was extended pursuant to the provisions set forth in section 221.4 of Regulation U, which authorizes employers to extend credit to employees and ESOPs without regard to the margin requirements. All nonbank lenders registered pursuant to Regulation U must file an annual report with the Federal Reserve. Any new registrants are required to file the annual report for the year following their registration date.

Report title: Statement of Purpose for an Extension of Credit by a Creditor.

Agency form number: FR T-4.

OMB control number: 7100-0011.

Frequency: Event-generated.

Respondents: Brokers and dealers.

Estimated number of respondents: 4.

Estimated average hours per response: 0.17.

Estimated annual burden hours: 14.

General description of report: The FR T-4 must be completed only if the purpose of the credit being extended is not to purchase, carry, or trade in securities and the credit is in excess of that

otherwise permitted under Regulation T (nonpurpose credit). The information captured on FR T-4 provides a written record of the amount of nonpurpose credit being extended, the purpose for which the money is to be used, and a listing and valuation of collateral.

Report title: Statement of Purpose for an Extension of Credit Secured by Margin Stock.

Agency form number: FR U-1.

OMB control number: 7100-0011.

Frequency: Event-generated.

Respondents: Banks.

Estimated number of respondents: 4.

Estimated average hours per response: 0.17.

Estimated annual burden hours: 51.

General description of report: A bank must complete the FR U-1 purpose statement when it extends credit in excess of \$100,000 secured directly or indirectly, in whole or in part, by any margin stock. The information captured on FR U-1 provides a written record of the amount of credit being extended, the purpose for which the money is to be used, and a listing and valuation of collateral.

Legal authorization and confidentiality: The FR G-1, G-2, G-3, G-4, T-4, and U-1 are authorized by sections 7 and 23 of the Securities Exchange Act of 1934 which state, respectively, that the Board shall “prescribe rules and regulations with respect to the amount of credit that may be initially extended and subsequently maintained on any security” and that “[t]he Commission, the Board of Governors of the Federal Reserve System, and the other agencies enumerated in section 78c(a)(34) of this title shall each have power to make such rules and regulations as may be necessary or appropriate to implement the provisions of this chapter for which they are responsible or for the execution of the functions vested in them by this chapter, and may for such purposes classify persons, securities, transactions, statements, applications, reports, and other

matters within their respective jurisdictions, and prescribe greater, lesser, or different requirements for different classes thereof.”

All six reports are mandatory. Individual respondents may request that information submitted to the Board through the FR G-1 and FR G-4 be kept confidential. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on a case-by-case basis. To the extent a respondent submits nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, the respondent may request confidential treatment pursuant to exemption 4 of the Freedom of Information Act (FOIA). To the extent a respondent submits personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy, the respondent may request confidential treatment pursuant to exemption 6 of the FOIA.

Because the FR T-4, FR U-1, and FR G-3 are maintained at each banking organization, the FOIA would only be implicated if the Board obtained such records as part of the examination or supervision of a banking organization. In the event the records are obtained by the Board as part of an examination or supervision of a financial institution, this information may be considered confidential pursuant to exemption 8 of the FOIA, which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process. Information collected through the FR G-2 is not considered to be confidential.

Board of Governors of the Federal Reserve System, December 17, 2020.

Michele Taylor Fennell,

Deputy Associate Secretary of the Board.

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